

From: Linda Lazzerino
To: Tinsley, Roy
Date: 4/14/04 11:00AM
Subject: Fwd: FW: Comment on Draft Amendment

>>> Snook Jim M Civ HQ AFCESA/CESM <Jim.Snook@tyndall.af.mil> 04/14/04 09:21AM >>>

Jim

James M. Snook, P.E.
Utility Rates Management Team
Headquarters Air Force, Civil Engineer Support Agency
Voice: 850-283-6295 DSN 523-6295
FAX 850-283-6219 DSN 523-6219

> -----Original Message-----

> From: Snook Jim M Civ HQ AFCESA/CESM
> Sent: Tuesday, April 13, 2004 4:10 PM
> To: Jean Gray (E-mail)
> Cc: Craig Paulson (E-mail); Rob Mitchell (E-mail); Rudy Quilon (E-mail)
> Subject: Comment on Draft Amendment

>

> Jean,

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>

> You provided a Draft Amendment No. 1 for the Parker Davis Contracts dated
> 3/31/04 for review and comment.

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> Within that Draft Amendment, the language in Paragraph 12 is "12. REVIEW
> AND ADJUSTMENT OF FEDERAL POWER ALLOCATION." Section 12.2 reads:
> "Notwithstanding any other provision of the Contract to the contrary,
> Western's Administrator reserves the right to adjust Western's firm
> electric service obligations under this contract as he or she deems
> appropriate, if the Contractor's status, as of the date of execution of
> his Contract/Amendment, changes in some manner, including but not limited
> to . . . (5) selling, leasing, or otherwise disposing of its, or a
> member's, electric distribution system."

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> As you know the DoD is in the process of utility privatization at many of
> our installations. This privatization is being implemented according to
> the guidance of the DoD under the Federal statute 10 USC 2688. A
> particular privatization proceeds when it is economically beneficial to
> the government. The guidance to the privatization folks is to coordinate
> each privatization with the Western Regional office to avoid a
> cancellation of an agreement due to privatization.

>

> We are concerned that the fifth condition will be cited as a reason that
> the DoD utility privatization initiative would be an violation of the
> contract. If the following could be added following the final word in
> condition five, it would make it clear that the DoD utility privatization,
> in and of itself, is not a violation of the contract.

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> (Privatization by a DoD preference entity under authority of 10 USC
> 2688 will not effect its status provided the entity complies with the
> other terms of this contract and the Reclamation law.)
>
> Thanks for your assistance.
>
> Jim
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> James M. Snook, P.E.
> Utility Rates Management Team
> Headquarters Air Force, Civil Engineer Support Agency
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>
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